

DEPARTMENT OF NATURAL RESOURCES STATE OF MICHIGAN <u>TIMBER SALE PROSPECTUS #7294</u>

<u>SCHEDULED SALE DATE AND TIME:</u> 10:00 a.m. (local time) on September 7, 2023. <u>LOCATION:</u> GLADWIN MGMT UNIT, 801 NORTH SILVERLEAF, GLADWIN, MI 48624.

<u>PROSPECTUS NOTE</u>: The bidder is advised to inspect the sale area and review the location, estimated volumes, operating costs and contract terms of proposed sales. Please be aware that some landowners may request 60 days or more notice for access across their land.

Notice is hereby given that bids will be received by the Unit Manager, GLADWIN MANAGEMENT UNIT, for certain timber on the following described lands:

Leota Fuelbreak RP (73-998-23) / T20N, R05W, SEC. 17, NENE. T20N, R05W, SEC. 3 , N1/2SW,SESW. T20N, R05W, SEC. 8 , S1/2SE. T20N, R05W, SEC. 9 , SWSW. Clare County, Advertised Price \$45,346.50, 88.2 Acres, Red Pine, Hardwood.

SALE NOTE: This sale has a seven (7) month contract for quick turnaround. In addition, these stands have been identified as shaded fuel breaks near Leota.

A recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Certain restrictions/specifications may be applicable including time restrictions.

BID INSTRUCTIONS (VER. 10/10/2022):

1. Scheduled Bid Location, Date, and Time (2/11)

Bids must be received by the Unit Manager, GLADWIN OFFICE, 801 NORTH SILVERLEAF, GLADWIN, MI 48624, no later than 10:00 a.m. (local time) on September 7, 2023. For further information concerning this sale, contact Blair Tweedale at 989-426-9205 extension 7640.

2. Bidder's Qualifications (10/22)

If all or part of a timber sale was prepared by a private contractor, the contractor and that contractor's company are not permitted to bid on the timber sale. A person must be 18 years of age or older to purchase timber. Permanent employees of the Department of Natural Resources or members of their immediate household may not bid. Former employees, in the permanent or seasonal class, may not bid until 3 months after the last day of active duty. Bids will not be accepted from individuals or companies appearing on the DNR/FRD No-Bid List. This list contains the names of purchasers who previously failed to execute a contract within 21-days or who have a history of poor performance.

3. Preparation of Sealed Bids (5/16)

Bid Forms may be completed online thru Michigan DNR Timber Sale Online Bidding (OLB) at www.michigan.gov/timberbidding or by completing the hardcopy Bid Form found in the Timber Sale Prospectus . Hardcopy Bid Forms shall be manually signed in ink. Registration in OLB is considered your 'signature' for all bids submitted thru that system. Bid prices must be entered for each species and product in the Bid Price column for all material subject to bidding and all fill-in blanks must be completed. If erasures or other changes appear on the hardcopy Bid Form, each erasure or change must be initialed by the person signing the bid.

4. Submission of Sealed Bids (5/16)

Bid forms may be obtained from the Unit Manager or thru OLB. Bids may be submitted hardcopy or thru OLB. All hardcopy bids must be submitted on the bid form and in an envelope clearly identified as described in this section. NOTE: Only one bid form per bid envelope. Sealed bids must be submitted to the Unit office designated in the prospectus and must be submitted at or prior to the time established in the prospectus. The envelope should show on the outside (a) the sale name or number and (b) the date and time of bid opening, as shown in the prospectus. Bids received after the time specified in the sale prospectus are late bids and will be rejected.

It is possible for a bidder to submit multiple bids on a single sale. For example, a bid may be submitted hardcopy and a bid may be submitted thru OLB. Or, two bidders from the same company could both submit bids on the same sale. If this were to happen, the State would accept all bids received and award the contract accordingly. All bidding and contractual requirements would apply to all bids received.

5. Public Opening of Sealed Bids (7/16)

If conditions permit, the sealed bids will be publicly opened and posted at the time and place set in the prospectus.

If a bidder, present at a bid opening, has submitted bids on more than one sale, that bidder may withdraw their unopened bid envelopes or announce the withdrawal of their online bid after being declared the successful bidder on one sale.

6. Award of Contract (1/11)

Award of the contract will be made to the Bidder whose bid, conforming to the prospectus, is most advantageous to the State of Michigan on the basis of total value at rates bid for the estimated quantities. The State reserves the right to reject any bid or waive any minor irregularity in bids received. A written award mailed (or otherwise furnished) to the successful Bidder shall be deemed to result in a binding contract without further action by either party.

7. Down Payment (1/11)

The Bidder to whom award is made must make a down payment within 21 days of the sale award. The amount of the down payment will be calculated as shown in the Bond and Payment Schedule of this prospectus. Only cash may be used to meet this requirement.

8. Performance Security (1/11)

As guarantee of faithful performance, a cash bond, certificate of deposit, surety bond or irrevocable letter of credit (LOC) is required within 21 days of the sale award. The amount of the performance security is shown in the Bond and

Payment Schedule of this prospectus. If an LOC or surety is used, the coverage must extend for at least 6 months beyond the contract expiration.

9. Worker's Compensation (10/22)

Purchaser shall obtain worker's compensation insurance to cover claims under Michigan's Worker's Disability Compensation Act of 1969 or similar employee benefit act of any other state applicable to an employee. Verification of Worker's Disability Compensation Act Compliance must be completed and submitted within 21 days of contract award and prior to the issuance of the timber sale contract. In addition, if applicable, Notice of Exclusion or Certificate of Insurance must also be submitted.

10. Timber Sale Contract (10/22)

Additional conditions and requirements common to all timber sales are listed on the timber sale contract (R4031) and are available on line at www.michigan.gov/timber. Contact the Unit Manager for additional information or a sample contract. Within 21 days of the date of the award letter, the bidder must sign the contract and provide the required down payment, performance security, and verification of worker's disability compensation. The down payment and performance security shall be in accordance with the provisions of the timber sale contract, in the sums stated in this prospectus. If these actions are not taken, then the Bidder, the Bidder's corporation, and the corporation's principals may not be permitted to bid on State timber sales for a period of 3 months after the first offense, 6 months after the second offense, and 1 year after the third offense. An offense will only be counted against the Bidder for 5 years. In addition, the Bidder certifies that if awarded this contract, the Bidder will complete the timber sale contract in accordance with its terms and any modifications thereof including requirements to purchase, cut, and remove the included timber by the expiration date.

Payment Unit values in the State Forest Timber Sale Contract are calculated based on the advertised value of the Payment Unit as a percentage of the total advertised value of the contract. The advertised value of each Payment Unit is given in the Description of Timber by Payment Unit table on the Timber Sale Information page. For example, if the value of Payment Unit 1 is advertised as \$1,500 and the total Timber Sale value is advertised as \$10,000, the contract price for Payment Unit 1 will be 15% of the total bid price (\$1,500/\$10,000 * 100).

11. Disclaimer of Estimates and Bidder's Warranty of Inspection (10/22)

Before submitting this bid, the Bidder is advised and cautioned to inspect the sale area, review the requirements of the sale contract, and take other steps as may be reasonably necessary to ascertain the location, estimated volumes, construction estimates, and operating costs of the proposed sale. Failure to do so will not relieve the Bidder from responsibility for completing the contract.

The Bidder warrants that this bid is submitted solely on the basis of the Bidder's examination and inspection of the quality and quantity of the timber offered for sale and the Bidder's opinion of the value thereof and the costs of recovery. No reliance should be placed on the State of Michigan's estimates of timber quality, quantity or costs of recovery. Bidder further acknowledges that the State of Michigan: (i) expressly disclaims any warranty of fitness of timber for any purpose; (ii) offers this timber as is without any warranty of quality (merchantability) or quantity and (iii) expressly disclaims any warranty as to the quantity or quality of timber sold.

12. Certification and Chain-of-Custody (10/22)

Unless otherwise indicated in the contract under section 7 – Other Conditions of the Sale Specific Conditions & Requirements, the area encompassed by this timber sale is certified to the standards of the Forest Stewardship Council (FSC) - Certificate #SCS-FM/COC-00090N and the Sustainable Forestry Initiative (SFI) - Certificate # NSF-SFIS-5Y031-SF5. Forest products from this sale may be delivered to the mill as "FSC 100% and / or SFI certified" as long as the contractor hauling the forest products is chain-of-custody (COC) certified or covered under a COC certificate from the destination mill. The purchaser is responsible for maintaining COC after leaving the sale area.

13. Good Neighbor Authority (GNA) Requirements (10/22)

If the name of this timber sales contains the acronym GNA, it is authorized by the Good Neighbor Authority (GNA) and covered by various agreements between the U.S. Forest Service and the State. The timber sale occurs on federal land and the following conditions apply:

GNA contracts on US Forest Service land will not be awarded to purchasers on the Federal list of excluded parties . The System for Award Management (SAM) will be checked for active excluded parties prior to award of contract. In

addition, the Bidder to whom award is made must complete an Assurance Regarding Felony Conviction or Tax Delinquent Status for Corporate Applicants (AD-3031).

14. Good Neighbor Authority (GNA) Requirements, con't (10/22)

Bidder certifies, by signing this bid form, that to the best of Bidder's knowledge that the following representations are accurate and complete.

a. That the Bidder and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntary excluded from timber sales (covered transactions) by any Federal department or agency.

b. That the Bidder and its principals have not within a 3-year period preceding this bid been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

c. That the Bidder and its principals are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph b of this certification.

d. That the Bidder and its principals have not within a 3-year period preceding this bid had one or more public transactions (Federal, State, or local) terminated for breach or default of a timber or forest product contract.

Bidders that cannot certify this requirement, in whole or in part, shall submit an explanation with their bid.

SHANNON LOTT, Acting Director

TIMBER SALE INFORMATION

Leota Fuelbreak RP (73-998-23)

T20N, R05W, SEC. 17; T20N, R05W, SEC. 3; T20N, R05W, SEC. 8; T20N, R05W, SEC. 9.

Clare County (Advertised Price \$45,346.50)

SALE NOTE: This sale has a seven (7) month contract for quick turnaround. In addition, these stands have been identified as shaded fuel breaks near Leota.

A recreation site such as a trail, pathway, or campground is within the sale area or the vicinity. Certain restrictions/specifications may be applicable including time restrictions.

A timber sale contract for this lump sum, sealed bid timber sale will be awarded to the responsible bidder offering the highest sealed bid price. All units of volume listed below were estimated using the Inventory Manager computer program and the new Michigan taper model. Bids must be at or above the following advertised price for each product and species:

PRODUCTS & SPECIES	ESTIMATE	D UNITS*	ADV	ERTISED PRICE
Sawtimber				
B. T. Aspen	1.8	MBF	\$	76.00 / MBF
Black/Red (Hybrid) Oak	4.6	MBF	\$	112.00 / MBF
Red Pine	261.5	MBF	\$	121.00 / MBF
White Pine	1.4	MBF	\$	68.00 / MBF
Pulpwood				
B. T. Aspen	2	Cords	\$	31.45 / Cord
Black/Red (Hybrid) Oak	10	Cords	\$	16.90 / Cord
Northern Pin Oak	5	Cords	\$	16.90 / Cord
Red Pine	239	Cords	\$	52.50 / Cord
White Pine	3	Cords	\$	31.30 / Cord

* The total volume is statistically estimated within plus (+) or minus (-) 17.00 percent. There are an estimated 854 cords on this timber sale, plus or minus 145 cords at the 95% confidence level. The estimated units are final and not subject to adjustment. Prospective bidders are urged to examine this timber and to make their own estimates of quantity and quality.

BOND AND PAYMENT SCHEDULE:

02

- 1. A bond in the amount of \$2,267.00 to insure faithful performance of the conditions of the contract will be deposited
 - by the successful bidder within 21 days of the sale award.
- 2. Cutting in any sale or unit without the required advance payment would be considered a trespass.
- 3. Total payment must be paid in advance or according to the following schedule :
- (a) Ten percent (10%) of the sale value must be paid within 21 days of the sale award.
- (b) The 10% down payment will be credited towards the first unit cut.

(c) Payment for each of the following units must be made before cutting begins in that unit:			
PAYMENT UNIT NUMBER	PERCENT OF TOTAL SALE VALUE		
01	15.6%		

15	.070
84	.4%

4. If no cutting takes place, the 10% down payment will not be refunded.

5. Operations on the contract issued will terminate on 03/31/2024.

SALE STATISTICS

Volumes were calculated in cubic feet using the Michigan taper model. Cubic foot volume includes all wood inside bark for the product indicated. For display purposes, cubic feet were converted to cords and MBF using a simple conversion factor, e.g. 79 cubic feet per cord and 185 cubic feet per MBF. The cubic foot volumes are precise; the cords and MBF volumes are not. Cubic foot volume cannot be directly converted to cords or boards with precision.

SALE VOLUMES

The total estimated sale volume may not equal the sum of the species/products due to the nature of statistical calculations associated with double sampling methodology.

VOL	UME		STATISTICAL RA	ANGE IN CORDS
TOTAL CUBIC FEET	TOTAL CORDS	PERCENT ERROR	MINIMUM	MAXIMUM
67,476	854	17.00%	709	999

VDU VOLUMES

A VDU is a Volume Determination Unit. Volumes and their associated statistics are calculated at the VDU level and summarized to the sale level. There is often a one to one relationship between a VDU and a Payment Unit, but not always, depending on the cruise design. Refer to the VDU TO PAYMENT UNIT table.

	VOLUME			RANGE II	N CORDS
VDU	TOTAL CUBIC FEET	TOTAL CORDS	PERCENT ERROR	MINIMUM	MAXIMUM
121	56,746	718	17.72%	591	846
170	10,730	136	42.77%	78	194
TOTAL:	67,476	854		669	1,040

VDU TO PAYMENT UNIT

When a VDU is associated with more than one Payment Unit (PU), the VDU volumes are assigned to the PU based on acres of the VDU within the PU.

VDU	VDU ACRES	PU	PU ACRES
121	67.2	2	67.2
170	21.0	1	21.0
TOTAL:	88.2		88.2

DESCRIPTION OF TIMBER BY PAYMENT UNIT (PU)

PU	MARKET GROUP	PRODUCT	QUANTITY	UNIT	ACRES	ADVERTISE PRICE
1	Red Pine	Sawtimber	39.7	MBF	21.0	\$7,061.20
	Red Pine	Pulpwood	43	Cords		
2	B. T. Aspen	Sawtimber	1.8	MBF	67.2	\$38,285.30
	Black/Red (Hybrid		4.6	MBF		
	Red Pine		221.8	MBF		
	White Pine		1.4	MBF		
	B. T. Aspen	Pulpwood	2	Cords		
	Black/Red (Hybrid		10	Cords		
	Northern Pin Oak		5	Cords		
	Red Pine		196	Cords		
	White Pine		3	Cords		
		TOTAL:	269.3	MBF		
		TOTAL:	259	Cords		

Sale Name: Leota Fuelbreak RP

Sale Number: 73-998-23 Seq#: 2

1 - Sale Area

1.2 - Boundaries

1.2.1 - Painted boundaries (9/19)

The sale boundary and Payment Unit boundaries are marked and identified by blue and red paint. Exterior sale boundary lines against private property are marked with blue paint. Exterior sale boundary lines against state are marked with red paint. The painted boundary line trees are not Included Timber and are to be protected unless marked with orange paint.

2 - Timber Specifications

- 2.1 Included Timber
 - 2.1.3 Cut tree marked unit(s) (12/08)

Within Payment Unit(s) 1 & 2, all trees are designated for cutting when marked with orange paint above and below stump height, regardless of merchantability.

2.1.15 - Hazard trees near roads (11/20)

Cut and remove all standing dead trees within 100 feet of the cleared portion of designated county roads. These trees may be utilized or must be scattered back into the Sale Area.

2.2 - Utilization

2.2.2 - Chipping required (2/18)

This area must be chip harvested to facilitate future silvicultural activities. The Purchaser has the option to produce sawlogs or pulpwood bolts, but the remaining portion of the trees must be chipped and hauled.

2.2.3 - Stump heights (4/07)

Stump heights within the Sale Area shall not exceed 6 inches for all trees. This is in order to facilitate future silvicultural activities.

3 - Payments

3.4 - Damaged Timber

3.4.1 - Damaged timber (7/16)

General Condition and Requirement 3.4 Damaged Timber, defines liquidated damages for undesignated live merchantable trees which are cut or injured. No damage is acceptable to undesignated live merchantable trees. Within the Sale Area, if more than 5% of trees (> 4.5" DBH) within a specified area of the sale are damaged, liquidated damages will be assessed for all trees damaged. Rates will be in accordance with General Condition and Requirement 3.4 Damaged Timber.

4 - Transportation

4.1 - Construction

4.1.12 - No new roads (1/12)

No new roads will be permitted in any Payment Unit. All operations are limited to existing roads. Skid trails will only be allowed.

5 - Operations

5.1 - Notification

5.1.1 - Pre-sale conference (10/16)

A pre-sale conference on site between the Purchaser and sale administrator is required prior to beginning any operations, to determine landing locations. The Unit Manager or his/her representative must be contacted at least 3 business days in advance to schedule the conference.

5.2 - Conduct of Operations

5.2.1 - Slash

5.2.1.8 - Slash height (12/08) No slash or tree tops may exceed 24 inches in height.

5.2.1.12 - Slash for prescribed burning (1/05)

To facilitate prescribed burning, slash shall be moved at least 10 feet inside the sale boundary. Slash cannot be piled or placed near residual trees.

5.2.32 - Decking/landing restoration (9/13)

All decking and landing areas must have the surface area restored to a condition equal to or better than before. This is to ensure the proper regeneration of the stand. Wood debris, chips and "cookies" from trimmings must be removed or scattered away from landing and loading areas and may not be windrowed on the edge.

5.2.38 - No decking against live trees (2/04)

Cut products may not be decked against unmarked or designated leave trees.

5.2.39 - ORV trail/route protection (4/18)

Leota Trail #2 is an ORV trail and is shown on the Timber Sale Map. Do not cut trees or damage posts with yellow ORV markers. All stumps within 5 feet of the trail must be cut flush with the ground. Maintain a 20-foot-wide slash, debris, and rut free zone daily using the ORV trail or route as the centerline. Do not run equipment down the ORV trail or route. Skidding across the trail or route may only occur in locations approved by the Sale Administrator.

6 - Safety and Fire Prevention

6.2 - Signing

6.2.1 - Road posting (10/20)

The Purchaser is responsible for posting and maintaining caution signs on Harding and Jackson Avenue prior to beginning operations. The road must be posted at appropriate distances from the Sale Area to warn of logging activity and truck traffic. Signs must be removed when harvest operations are suspended or completed. The Purchaser will provide these signs.

6.2.3 - Recreational trail posting (10/20)

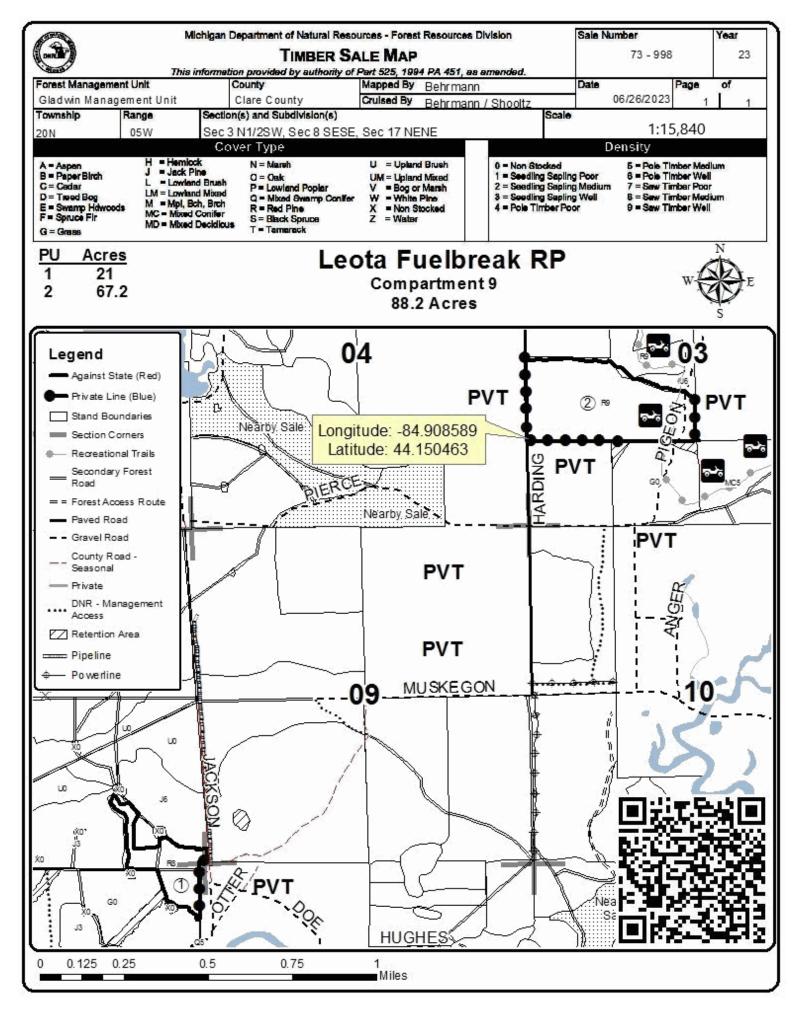
The Purchaser is responsible for posting and maintaining caution signs on Leota Trail #2 prior to beginning operations. The trail must be posted at appropriate distances from the Sale Area to warn of logging activity and truck traffic at both ends of the trail. Signs must be removed when harvest operations are suspended or completed. The Purchaser will provide these signs.

7 - Other Conditions

7.2 - Extensions

7.2.2 - No extensions (3/09)

There will be no extensions granted on this contract. This sale is already scheduled for prescribed burning to maintain as a shaded fuel break.



BID FORM

Leota Fuelbreak RP (73-998-23)

T20N, R05W, SEC. 17; T20N, R05W, SEC. 3; T20N, R05W, SEC. 8; T20N, R05W,

In response to the notice of sale to be held 10:00 a.m. (local time) on September 7, 2023, I am hereby submitting my sealed bid (firm offer) for the following forest products to be cut. Bids for individual species must be at or above the advertised price. All non-responsive bid forms may be rejected.

PRODUCTS & SPECIES Sawtimber	<u>ESTIMATED</u>	VOLUME*	<u>A[</u>	OVERTISED PRICE	BID PRICE/UNIT
B. T. Aspen	1.8	MBF	\$	76.00/MBF	\$
Black/Red (Hybrid) Oak	4.6	MBF	\$	112.00/MBF	\$
Red Pine	261.5	MBF	\$	121.00/MBF	\$
White Pine	1.4	MBF	\$	68.00/MBF	\$
Pulpwood					
B. T. Aspen	2	Cords	\$	31.45/Cord	\$
Black/Red (Hybrid) Oak	10	Cords	\$	16.90/Cord	\$
Northern Pin Oak	5	Cords	\$	16.90/Cord	\$
Red Pine	239	Cords	\$	52.50/Cord	\$
White Pine	3	Cords	\$	31.30/Cord	\$

*The volumes are statistically estimated within plus (+) or minus (-) 17.00 percent at 95% confidence level. These estimated volumes are final and not subject to adjustment. Prospective bidders are urged to examine this timber and to make their own estimates of quantity and quality.

I understand that any or all bids may be rejected. All bids must be signed and all bid items must be bid or the bid form may be rejected. I also understand that consideration and awarding a contract will be based upon my past performance and ability to complete the contract based upon equipment and staffing subject to my control.

FEDERAL ID:	or SOCIAL SECURITY NUMBER:	
Company or individual bidding:		
Company representative's name:		
Address:		
City:	State: Zip:	

IF AVAILABLE, PLEASE PLACE THE PERSONALIZED LABEL FROM YOUR PROSPECTUS IN THE ABOVE BOX.

Individual or company representative's signature:

Phone number :

Email (optional):____

_ Date:____

THE WINNING BIDDER MUST COMPLETE THE VERIFICATION OF WORKER'S DISABILITY COMPENSATION ACT COMPLIANCE (ON REVERSE SIDE IF DOUBLE SIDED) WITHIN 21 DAYS OF SALE AWARD DATE

NOF NATURAL PESSOL	Michigan Department of Natura Forest Resources Divi			FOR DEPARTMENT USE ONLY
A DNR A	TIMBER SAL	E		Sale Number (XX – XXX – XX – XX)
TCHIGH	VERIFICATION OF WORKE	- R'S DISABILITY		Forest Management Linit
	COMPENSATION ACT C			Forest Management Unit:
	As required by Act 317, P.A. 1969 (Work Part 5 of Act 451 of 1994, as	er's Compensation) and		
VERIFIC	ATION OF WORKER'S DISABILIT			IPLIANCE
	verification must be completed and contract.	submitted within 21	days of cont	tract award and prior to the issuance of the timber
	dition, if boxes 2B or 2C are check ty-one (21) days of the contract awar			Certificate of Insurance must be submitted within e timber sale contract.
All In	formation must be typed or printed o	except for written sig	gnatures.	
Please C	heck Appropriate Categories:			
1. Myb	usiness is organized as (you must	check one of the bo	oxes below):	
A. 🗆	Sole Proprietorship (individual)			
В. 🗆	Partnership			
C. 🗆	Corporation			
2. You	must check <u>one</u> of the boxes belov	/ :		
A. 🗆	I certify my business is a sole propriet Worker's Compensation Laws.	orship and it has no ei	mployees but	the sole proprietor. I am not subject to the
В. 🗌		Il provide a copy of the	e Notice of Ex	cation Act through the use of an approved Notice of clusion within 21 days of the contract award. (For ation Bureau at 517-322-1195).
C. 🗆	I certify my business has a Worker's C one (21) days of the contract award.	Compensation Policy.	I will provide	an original Certificate of Insurance within twenty-
	a have checked item 2(A) or 2(B), yourself, including family members			of both full-time and part-time employees, other u must enter "0").
	Full-time En	nployees		Part-time Employees
Name of Dec		I.		
Name of Bu	Siness	r		Social Security No.
Address		٢	Telephone	
		(()	
City		State 2	ZIP	
l hereby c	pertify that the above information is	true and correct	agree to not	ify the Michigan DNR of any changes that occur
	affecting my coverage during any c			
Signatur	e of Owner or Authorized Representative			
Signatur				
Title			Dat	e

Please complete the "SEALED BID" information on the next page

PR 4031-5 (Rev. 10/30/2012)